

RESOLUTION NO. 09-41

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$1,820,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FIXED RATE REVENUE BONDS (GOODWILL INDUSTRIES OF SAN JOAQUIN VALLEY, INC. PROJECT), SERIES 2009 TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS OF THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO, AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the "Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the "Act"), for the purpose of promoting economic development; and

WHEREAS, the Bank is authorized to issue tax-exempt revenue bonds to provide financing for economic development facilities (as such term is defined in the Act) located in the State of California; and

WHEREAS, Goodwill Industries of San Joaquin Valley, Inc., a California nonprofit corporation (the "Borrower"), has submitted an application to the Bank for assistance in financing the acquisition of real property and improvements located at 3900 Sisk Road, Modesto, California (the "Project") and paying certain costs of issuance in connection with such financing; and

WHEREAS, the Borrower has represented that it intends to use the facilities acquired to operate a thrift store and job training facility, which operation is consistent with the definition of an economic development facility in the Act; and

WHEREAS, for these purposes, the Borrower has requested the Bank to (a) authorize the issuance of tax-exempt obligations in an aggregate principal amount not to exceed \$1,820,000 entitled California Infrastructure and Economic Development Bank Fixed Rate Revenue Bonds (Goodwill Industries of San Joaquin Valley, Inc. Project), Series 2009 (the "Bonds"), (b) provide for the sale of the Bonds, (c) provide for the loan of proceeds of the sale of the Bonds to the Borrower to finance the Project, (d) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the Borrower's repayment of that loan, and (e) take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Borrower has represented that it has obtained a commitment from Farmers & Merchants Bank of Central California (the "Purchaser") to purchase the Bonds in a private placement transaction; and

WHEREAS, consistent with the Bank's policies, (a) the Purchaser will certify that it is a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"); (b) the Purchaser will sign a "sophisticated investor" letter acceptable to the Bank; (c) the Bonds will be issued in minimum denominations of not less than \$400,000 and be subject to resale limitations that limit sales by the Purchaser to other "qualified institutional buyers" or "accredited investors" within the meaning of Rule 501 promulgated under the Securities Act; and

WHEREAS, because the Bonds shall be sold directly to the Purchaser, they will not be rated by any rating agency; and

WHEREAS, the Bank may not issue the Bonds to assist in financing the Project until the Board of Directors of the Bank makes certain determinations relating to the Project as required by the Act; and

WHEREAS, there is now on file with the Secretary of the Bank the following:

(a) a proposed form of a loan agreement to be entered into by and between the Bank and the Borrower providing for the loan of the proceeds of the Bonds to the Borrower;

(b) a proposed form of an indenture to be entered into between the Bank and Deutsche Bank National Trust Company, as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;

(c) a proposed form of a bond purchase contract to be entered into by and among the Bank, the Treasurer of the State of California and the Purchaser, and approved by the Borrower, providing for the sale of the Bonds;

(d) a proposed form of deed of trust assignment agreement to be entered into between the Bank and the Trustee to assign the security interest in the Project to be granted to the Bank by the Borrower; and

(e) a proposed form of a tax agreement between the Bank and the Borrower, concerning the exclusion of interest on the Bonds from gross income for federal income tax purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank as follows:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to Sections 63046 and 63047 of the Act, and based upon the representations of the Borrower, the Board of Directors of the Bank hereby finds and determines as follows:

1. The Project is located in the State of California.
2. The Borrower is capable of meeting its payment obligations under the loan agreement as approved by this resolution, which finding is based in particular on the Borrower's ability to satisfy the requirements imposed by the Purchaser for the purchase of the Bonds.
3. The Borrower is capable of meeting the other obligations incurred by the Borrower under the agreements approved by this resolution.
4. The payments to be made by the Borrower to the Bank under the loan agreement as approved by this resolution are adequate to pay the current expenses of the Bank in connection with the financing and to make all the payments on the Bonds.
5. The proposed financing is appropriate for the Project.
6. The Project is consistent with any existing local or regional comprehensive plan.

Section 3. Based on the information provided and representations made by the Borrower, the Board hereby finds and determines that the Project demonstrates clear evidence of a defined public benefit in that the Project will provide job placement and assistance to individuals with barriers to employment consistent with the Borrower's mission.

Section 4. The Bank authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to finance the Project pursuant to the terms and provisions of a loan agreement as approved by this resolution. The proposed form of loan agreement on file with the Secretary of the Board (the "Secretary") is hereby approved, and the Executive Director of the Bank (the "Executive Director"), the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver a loan agreement to the Borrower in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Loan Agreement"). The Secretary is authorized to attest to the execution of the Loan Agreement.

Section 5. The proposed form of indenture on file with the Secretary is hereby approved, and the Executive Director, the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver an indenture to the Trustee in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Indenture"). The Secretary is authorized to attest to the execution of the Indenture.

Section 6. The proposed form of bond purchase contract on file with the Secretary is hereby approved, and the Executive Director, the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and deliver to the Purchaser and the Treasurer a bond purchase contract in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Treasurer of the State of California, as agent for sale of the Bank's bonds, is hereby requested to sell the Bonds at negotiated sale, at such prices and at such initial interest rates as he may determine in accordance with the Indenture. Notwithstanding Section 63074(d) of the Act to the contrary, such sale may take place at any time within one hundred eighty (180) days of the adoption of this resolution or at such later date not later than the date three hundred sixty (360) days of the adoption of this resolution as approved by the Executive Director.

Section 7. The proposed form of assignment agreement on file with the Secretary is hereby approved, and the Executive Director, the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver an assignment agreement to the Trustee in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Assignment Agreement").

Section 8. The proposed form of tax agreement on file with the Secretary is hereby approved and the Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized and directed, for an in the name and on behalf of the Bank, to execute and deliver to the Borrower and counsel to the Bank a tax agreement in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Bank approves the issuance on a tax-exempt basis of not to exceed \$1,820,000 aggregate principal amount of the Bonds for the Project in accordance with this resolution and the terms of and to be secured by the Indenture. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Bank pursuant to the Loan Agreement and the Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the State of California or the Bank except to the limited extent provided in the Indenture. Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, or interest on, the Bonds. The Bonds shall be dated the date of their issuance and shall be paid in lawful money of the United States at the time or times and place or places provided in the Indenture. The Bonds shall be issued in minimum denominations of not less than \$400,000, shall be in the form provided in the Indenture, shall mature on the date or dates provided in the Indenture which shall be not later than sixteen years from the date of issuance thereof, shall be subject to redemption as provided in

the Indenture, shall carry the registration privileges provided in the Indenture and shall bear interest at a rate determined in the Indenture. The Bank approves the issuance of the Bonds without a credit rating, provided that the Bonds are sold directly to the Purchaser in a private placement transaction, and are subject to conditions and resale restrictions consistent with this resolution.

Section 10. The Executive Director, the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute, by manual or facsimile signature, the Bonds in an aggregate principal amount not to exceed the amount authorized hereunder in accordance with the terms of this resolution and the Indenture and in the form set forth in the Indenture.

Section 11. The Bonds, when executed as provided in this resolution, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Indenture. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to the Purchaser in accordance with written instructions executed on behalf of the Bank by the Executive Director, the Chair of the Board, or the Chair's designee, which instructions each signatory, acting singly, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Purchaser, on behalf of the purchasers thereof, upon payment of the purchase price therefor.

Section 12. The Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized to execute and deliver any and all certificates and instruments, including, without limitation, letters of representations and certifications of authority, which they or counsel to the Bank may deem necessary or advisable to consummate the issuance, sale and delivery of the Bonds, provide certain security with respect to the Bonds, and otherwise to effectuate the purpose of this resolution.

Section 13. All actions heretofore taken by the officers and employees of the Bank with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified. The officers of the Bank and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to do perform their duties and to execute and deliver any and all certificates which they, counsel to the Bank may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

Section 14. This resolution shall take effect immediately upon its passage.

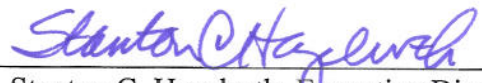
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on October 27, 2009 by the following vote:

AYES: BERTE, LUJANO, SHEEHY, AGUIAR

NOES: NONE

ABSENT: RICE

ABSTAIN: NONE



Stanton C. Hazelroth, Executive Director

Attest:



Roma Cristia-Plant, Secretary